



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

October 12, 1993

Mr. Thomas H. Shore
District Ranger
Manti-LaSal National Forest
150 South Main 6-4
Ephraim, UT 84627

Re: Reclamation Surety for the Henry 1 and 2 mine site, Harold H. Davis and Sons, M/023/023, Juab County, Utah

Dear Mr. Shore:

The Division is currently finalizing the state's permitting requirements for the Henry 1 and 2 Mine, located in Sec. 19, T15S, R1E, Juab County, Utah. As part of this process, the Utah Mined Land Reclamation Act requires the filing of an appropriate surety to assure that mine site reclamation takes place upon cessation of mining operations.

It is our understanding that the operator has posted a \$33,000 surety bond with the Forest Service to secure reclamation of this mine site. The joint agency Memorandum of Understanding signed in September of 1989, by the Division and the Forest Service, contains a provision indicating that reclamation sureties will be made out in the names of the respective cooperating agencies. The MOU also requires the agency holding the surety to obtain written concurrence from the cooperating agency prior to releasing/returning it to the operator.

The surety is not jointly held, therefore we are requesting written confirmation from the Forest Service that the surety will not be released without the Division's written consent. For your convenience, we have prepared a form letter which only requires an appropriately dated signature to resolve this request (see attachment). You may prepare your own letter if you prefer to do so.

The Division must seek formal approval from the Board of Oil, Gas and Mining for the amount and form of reclamation surety. The Board will evaluate the



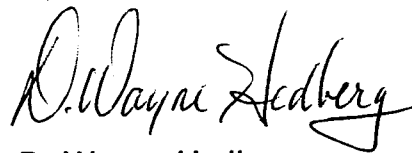
Page 2
Thomas Shore
M/023/023
October 12, 1993

surety documents and will require assurance that the State (DOGM) has some form of control over the disposition of the surety.

The Division recently sent the Forest Service a copy of our (\$22,100) reclamation estimate for this site. Should the Forest Service decide to accept our figure, the Division will proceed with the necessary steps to acquire and hold a new *joint agency* surety for this mine site. Once established, the Forest Service could release and return the \$33,000 surety to the operator. The operator is aware of this contingency. If the Forest Service and operator agree and choose to post a revised replacement surety, please let us know at your earliest convenience. We will then forward the appropriate (DOGM) surety forms to the operator.

Thank you for your time and assistance in helping us complete this permitting procedure. Please contact me or Holland Shepherd of the Minerals staff, if you have questions or concerns with this request.

Sincerely,

A handwritten signature in black ink, reading "D. Wayne Hedberg". The signature is fluid and cursive, with the first name "D." and last name "Hedberg" clearly legible.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Attachment
cc: Lowell Braxton, DOGM
Harold Davis, H.E. Davis & Sons
M023023.ten

**CONFIRMATION LETTER/AGREEMENT
for Reclamation Surety**

This letter is intended to reaffirm the *Reclamation Surety* provisions/agreements as outlined on page 11, section H, item # 7, of the signed joint agency Memorandum of Understanding (FS Control #:), dated September 5, 1989, between the Utah Division of Oil, Gas and Mining, the USDA Forest Service (Region 4), and the USDI Bureau of Land Management, State of Utah.

The agency holding the surety agrees not to release the surety until the reclamation work required by the Notice/Plan has been completed in a manner satisfactory to both agencies, as documented in writing.

DOGM Mine file #: M/023/023

Operator Name: H.E. Davis and Sons

Mine Name: Henry #1 and #2

Type/form of Surety and Acct. #: Surety bond

Surety Amount: \$ 33,000

Reclamation Surety Obligee: United States Forest Service

By signature affixed below, we hereby agree to abide by the provisions/conditions as outlined above as they apply to the reclamation surety held by this agency for the prescribed mine site.

Signature

Name (typed or printed)

Title/Position and Agency

Subscribed and sworn to before me this ____ day of _____, 19__.

Notary Public
Residing at: _____

My Commission Expires:

_____, 19____.